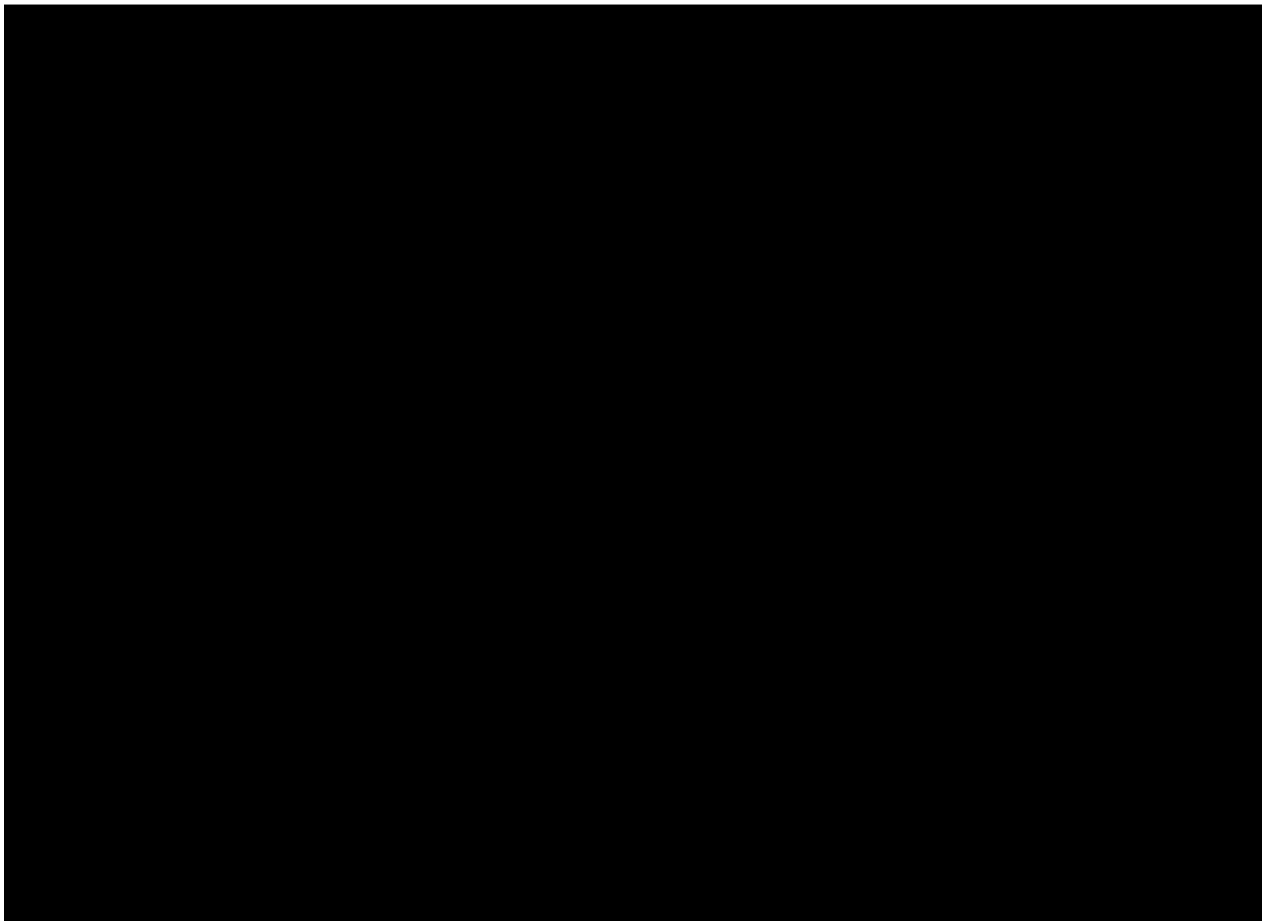


ADDRESS TO CIA EMPLOYEES
BY THE
DIRECTOR OF CENTRAL INTELLIGENCE
8 August 1977

Ladies and gentlemen, welcome to the Central Intelligence Agency's supergrade promotion exercise. The Director of Central Intelligence Admiral Turner will present the promotions, and afterwards he will make some comments regarding the recent reorganization of the Intelligence Community.

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Let me start by saying to those who have just been advanced how pleased I am for them. What an absolutely important and sterling accomplishment it is to move into or up within the supergrades, and it is not easy. I did some back in my slide rule calculations, and those advanced today are well less than two percent of those who were available in one way or another to have shared this promotion.

One of the things that we are going to talk about today is the future. One of the things I am most intent on in the future is to continue to make this competitive, but to insure that despite problems we have around here with numbers that we are going to have a continuing flow through of promotions. That is ahead of the story.

I would like to take a few minutes now to share with you my thoughts. As the final verdict from Mt. Sinai has come down, and we have, as you know from last Thursday, some, not some, but we have a decision by the President on this much-anticipated reorganization plan for the entire Intelligence Community. As you all know, the basic decision was made by the President to considerably expand the authority of the Director of Central Intelligence. Now the detailed implementation of that is something we are all working on

right now. We are redrafting the Executive Order 11905 and translating the President's decision into the implementing action. I, in the meantime, am working on the details of how to organize within the mandate put down by this Presidential decision. My own thinking is not entirely firm at this point, but after all the suspense we have lived through together for the past five or six months, I would feel remiss if I did not share with you my thinking in the stage that it is at at this time--so you know where I am and where the facts are as far as they are determined by this point. So, that is what I am going to do today. I will try to be explicit where things are still undecided and vague, and explicit where I think they are firm. When I am finished I will ask for your questions and comments so that we can be sure that I have muddied the waters adequately, the best I can anyway.

The basic point I would like to get across is that I am very pleased, both as the DCI and as the Director of the CIA, with the way this has worked out. Let me start with some of the reasons why I am pleased. First, I think there is one we tend to overlook; that is, over the past six months, the President of the United States, the Vice President,

the Secretary of State, the Secretary of Defense, the National Security Council Advisor to the President, myself, and many others, of course, have spent a great deal of time on this--put a lot of effort, a lot of thought to it. In my view, in the long run, that can only benefit you and me. When the high-level people of the National Foreign Affairs Community of the United States get interested in and involved in the intelligence process, that is great for us. They understand us better, they know what we can do for them better, and they are going to involve us more in their policy process, and that is what we are here for. So I think we have benefited just by the fact that the review was made, and it took such high level attention and interest. I am very pleased with that.

Now, I would like to emphasize and give you what I can of how the process works. There has been a lot of misinformation in the media, as there so frequently is. The debate that we had was a very lively one. There were sharp differences of opinion, but the whole thing was done with an air of cordiality and respect. We had papers and studies and all that kind of thing flowing, but it eventually came down to two meetings of the PRC. After two long sessions, we just could not come up with a unified position or recommendation

for the President. Not only did Secretary Brown and I have different solutions, other people had theirs, too. Between them all we had a potpourri that just could not be brought into one good recipe for a pie. So, we all, and quite a few of us as a matter of fact, not just the Defense and myself, put in our recommended solutions to the President in writing, along with the minutes of these PRC meetings. The President personally reviewed them in great detail. He involved the Vice President in considerable discussions with all of us--sometimes as a group, sometimes individually--and I am sure he put in his recommendations. The President met with us, discussed the different points at hand, made sure he had all of our views firsthand, and then he came up with his decision. Now as all of you know, it is not my recommendation, it is not Secretary Brown's, or Secretary Vance's, or Dr. Brezezinski's it is a composite of them all. I am very pleased with it because I think it has given the DCI a much greater opportunity to effectively coordinate the entire intelligence activities of the country. As I said, I recommended a different solution. I am not sure that when I recommended it I recommended it because I really felt it was the best. I did not know it was practical at this time. I thought the chances of it being inacted the way I recommended it were very slim, but the way I operate, if I really have a conviction,

I stand on it. I did in this case, and I thank my instincts it was not a practical thing to go as far as I had suggested at this time is what in fact happened. I think what has happened is that three new authorities given to the DCI are going a very long way toward what I had recommended, and I think will go far enough to give us what we need to be sure that we are pulling together as a team.

What are those three? The first is there is now created under the PRC a new committee of which I am the chairman and, as a matter of fact, I did not ask to be chairman, that was thrust on me. The Priorities Review Committee consists of the Secretary of State, the Secretary of Treasury, the Secretary of Defense, the National Security Council Advisor, and myself. The objective here is for this group to establish what the substantive requirements for intelligence are going to be, and what sense of priority you and I should put in our work and all the other elements of the Community. I think this is a very good thing because setting the priorities for what we do is not our job. We are here to serve the policy makers, and this new organization, which has not existed before, is going to involve the policy makers in our business, and that is all to our benefit. So that is a good step forward.

The second is the control, the full control of the budget process. I need not emphasize to all of you who have been around the government a good while what a useful tool that can be, how important it is, and what a load it is going to put on us to exercise it judicially. A great deal will come here in terms of being able to be sure that there is neither undue overlap nor, what often bothers me more, underlap between our activities.

Finally, I am, as the DCI, given full tasking authority over the entire Intelligence Community. Now this actually came about because it was one of the things that I put into my paper that went into this process, and I do not think anybody else did. My view here has been for several months now that we need to have a central place that will pull all of the collecting elements of the Community together. I have, as you probably know, already created the predecessor of the National Intelligence Tasking Committee in what we call the DCI Planning Committee that has been meeting for several months now. At that Committee we get all of the collecting agencies and all of the production agencies represented around the table. If I say to them, "The President wants better intelligence on Country Y," I do not go to first to one fellow and say what he can do and somebody else what he can do. I point to one man who happens to be, in this case

John McMahon because the Intelligence Community Staff is operating as a staff for this committee and say, "Get it, get all of these COMIREX, HUMIREX, cigarettes, oops, I got their names wrong. Get all these committees together and come up with a unified plan between COMIREX, HUMINT, and SIGINT to do the job for us." That is what the National Intelligence Tasking Center is going to do. It is going to (1) be a lever of control to be sure the operations of the entire collection elements of the Community are working smoothly together, and (2) it is going to be a way to emphasize the dovetailing of these collection elements so that they properly support each other and we get the maximum return from them. Where is it going to be located? Who is going to be in charge of it? Where is it going to get its staff? I can only give you one vague answer. The core of it will come from the COMIREX, HUMIREX, and SIGINTS Committees. Obviously, there will be more people required than that I believe. Where it is going to be located, I can not tell at this point. There are a number of options, we are weighing and assessing them, and it is going to take some time to decide. I believe that this will be what you have heard me talk about in the past sometimes as a vice-president for collection, but he will not have management responsibilities over any agencies. He will only be the coordinator of the

tasking. He will not run the CIA, the NSA, or the NRO. NSA will be run by the Secretary of Defense, and the NRO similarly as far as the day-to-day management is concerned. The CIA will be run by the Director of the CIA, but tasking for all of them will be brought together by this vice-president of collection, otherwise known now as the National Intelligence Tasking Center.

Now, that brings me almost ahead of myself to how do all things fit together, and where does this tasking center tie in with the rest of the organization. What I am going to describe now is my concept of how I would like to tie these together. I want to emphasize in the strongest way that while most of what I am going to describe can be done within the present authorities I possess, some of this would tread on the fine toes of the Congress, and we will have to get their approval for certain elements of it. So, please respect my confidence, please recognize that there is an element of tentativeness here in that the degree we need Congressional support, I obviously have not had any opportunity to seek it as yet. My tentative thought is to have four people report directly to the DCI. The first will be the DDCI who, just as now, will be the operating element of

the CIA; that is, I, the DCI, will still be the Director of the CIA just as today. You all know, there was talk about forcing a separation here; this has not come about. In fact, the President very specifically and personally said he did not want it to come about, and I am very pleased that that is the way this has come out. So one of the four people reporting to me will be the DDCI, just as today. The CIA remains intact as an entity, with one exception with regard to the DDI that I will get to in a moment. Basically, there will be no substantial change that people in the CIA will notice. The second person reporting directly to the DCI will be this Director of the National Intelligence Tasking Center and, again, as I said before, he will not manage anything, he will have dotted lines on the chart to the CIA, to the NSA, to the NRO, and to any other collecting agencies, in some sense to the State Department collection function. He will task all of these, including the CIA no matter what the priorities for effort are to be. The third person reporting directly will be Dr. Bowie who will be the Vice President in Charge of Production. Now, the Vice President of Production will manage directly a combined NIO--DDI organization. They will be fused together with Dr. Stevens as the Deputy and Dr. Bowie as the Director of that operation. In addition to managing that operation, Dr. Bowie will be

responsible for coordinating production with State and Defense. So, he is different than the Tasking Center boss who has only coordinating functions; he some linemanagement functions, and he has some coordinating functions. Now, why did we do this? Because the President in this decision, it seems to me, has reaffirmed very much the DCI's role as the President's primary advisor on intelligence and the NSC's primary advisor on intelligence. And with that, I believe we can produce that kind of national intelligence only by a good meshing of the NIOs and the Directorate of Intelligence. We have been working on this and thinking about this for a number of months now, long before this decision was made. I have decided to end with what I think is an artificial division, an artificial organizational separation between these two groups. The primary mission of the combined group will be to produce national intelligence. We must always remember that only here in the CIA do we have people producing intelligence who have no relationship to policy and that is what this combined group is really going to be, and it is a very critical national asset to have that kind of a good production capability that does not relate or is not any way biased to policy considerations. The NIOs will be the principle substantive staff officers in their respective fields of assignment. They will be responsible

both for coordinating all the activities of the Intelligence Community in their areas of production and for giving general direction and guidance to the DDI people working with and for them. They will have to rely for the primary part of their production support on the DDI; therefore, I believe this change will make the DDI in effect an even more vital and even more important element of our organization. We do not anticipate any wild extensive organizational changes to accomplish this. Bob and Sayer will in a few days put their implementing instructions on this, and we are going to go ahead with this right away. Let me say this, nobody in DDI need worry about his job. We have got a clear charter for more, better central intelligence of a national nature, and there is more than enough work for all. In fact, I have a very express plan actually to increase the size of the staff in the DDI-NIO complex. Also, please tell all the people in DDI that they do not have to worry that they have lost their career status, their retirement rights, their privileges of joining the CIA Credit Union, or whatever else it may be. The Directorate of Administration will continue to serve all the people in the DDI-NIO organization just as it does today. They are still organizationally part of the CIA. Dr. Bowie will be their boss. The fourth person reporting to me will be a Budget and Evaluation Vice

President, and what this really amounts to is the IC staff less the Intelligence Collection Committees, COMIREX, HUMINT, and SIGINT. Here, the IC staff in this new title will have much increased responsibilities in the Budget field as you, would of course, anticipate from the full budget responsibilities that the DCI will be shouldering.

Philosophically now, let me look why we are proposing this four-phase organization. The National Intelligence Tasking Center is to bring together all the collectors. The NIO-DDI, and Vice President for Production are to bring together all the production elements. Now I am fully aware that you have also got to bring the producers and the collectors together. I happen to think at this time we need particular emphasis on bringing the collectors together with collectors and the producers together with producers. I would also say that I would anticipate that a combination of the priorities board and its guidance, and the controls of the Budget and Evaluation Section are going to force a close coordination between the producing and the collection elements, and we have got to have that as an essential part of our intelligence operation. I do not want to forget the important elements of OLC and OGC and Public Affairs, Comptroller, Inspector General. Basically, they will remain

as they are today reporting to and serving the DCI. It is possible that sometime in the future we will separate out like functions to serve just the CIA, but that is by no means decided at this point. Life for them will go on in much the same style it is now. I would like to say that I have definite plans to increase the size of and to stress the emphasis on the importance of the Inspector General function. We have more and more people doing oversight of us, and I, therefore, feel that it is absolutely essential that we stay out ahead of that by doing our own internal oversight--is that innersight, I do not know. The Inspector General's function is more critical than ever. Speaking of the criticality of the primary functions here in the Agency, let me quickly go through the other three Directorates I have not mentioned and talk about each one of them and my view of where they are going in the future. Let us start with the Directorate of Science and Technology. Here, the organizational changes I have described have a couple of impacts. First, it makes it more critical, in my view, that DDS&T retain a SIGINT and an imagery capability in house. As the DCI, it is absolutely vital that I have available to me that kind of expertise that reports to me and is loyal to me. I also think that it is increasingly important under this concept that we continue to have the competitiveness

that has to come to benefit the entire Community over the years of the ingenuity and the ability and skill of the DDS&T's SIGINT and imagery operations in competition with those of NSA and NRO. Secondly, this organizational change, it seems to me, also reemphasizes the research and development role of DDS&T. Here again, in the imagery and SIGINT areas, we are going to need somebody who is looking at the research and development area from a national point of view, not just a military point of view in developing the kinds of gadgets, the kinds of techniques that are going to push SIGINT and imagery forward into the future. In addition, of course it is critical that DDS&T do the research and development for the clandestine service, nobody else can or will. Beyond that I just think the record of DDS&T in injecting new ideas and injecting imagination into the R&D process of the entire Intelligence Community has been superb over the years and must be preserved. Lastly, of course, [REDACTED] is growing rather than shrinking in important in my view, and therefore it remains another essential element [REDACTED]

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Moving on to DDA, there certainly will be no diminution of the need for the support that DDA provides to all of us and, in fact, I would anticipate a likelihood under this organization overtime of some expansion of the common

services that they provide--particularly, the common services of communications. I am personally somewhat concerned at the duplication of intelligence communication channels, and I would like look into the DDA taking a more active role in a Community-wide area there. I am also very, very, concerned and interested in strengthening the security function of DDA. It is a digression right now, but I want to say to you, the top people here, this is one of my greatest concerns today in the intelligence world. As a nation in handling national intelligence when it gets to the national debating level, we are absolutely like a sieve, and it has just got to be stopped. Our industrial security is horrendous; it is just terrible, from what I have seen of it. I would say in all candor to you that right here in the CIA we have got to tighten up. We are very good in some areas; we are very lax in others. The security function is just critical; there is no point spending all this money to get secret information and then have it published in the newspaper, as it seems to be almost everyday around here.

Well, that moves me on to the DDO because there, too, in the counterintelligence function that they have, that has got to be maintained; it has probably got to be strengthened. I have a particular concern there that we have to be, I

believe, more alert not only to counterintelligence against people, but counterintelligence against technology. We must be sure that we are bringing both of those counterintelligence functions together in the future so that we are making every effort we can to deny potential adversaries information of value common services of communications. I am personally somewhat to them that we just give away too freely. Next, under DDO, is covert action. The President, Dr. Brzezinski, myself, I know, all believe with great sincerity that covert action is a national asset that must be maintained. The day may come when the nation wants covert action in a way that it has not even thought of today, and you and I would be found wanting if we had not kept that capability strong. There is no question that there is a disinclination in the country today to use covert action. We must maintain that capability--paramilitary and the whole works--for the day that it will be called upon. I am dedicated to maintaining that capability. I believe we are all going to want more clandestine collection, the other principle function of DDO, in the years ahead. We are going to want to strengthen the overseas element of the DDO. I think there is going to be more emphasis on what we can collect clandestinely in third countries as opposed to just the objective A and B hard-target countries and their satellites. I think you can see

this if you will look at President Carter's foreign policy, Dr. Brzezinski foreign policy and philosophy, and Mr. Vance's attitudes. I think that there is every sign that the country is going to put more emphasis in the years ahead on our relationships--friendly, adversarial, economic, political, and military--with the non-hard target countries as well as, of course, a continuing absolute demand to know what is going on in the Soviet Union and China. I do not want anybody here to misinterpret this; this is no instruction to start sending signals to the Chiefs of Stations saying shift your target area. Because I do not know whether what I am saying means that it is going to be a totally additive requirement that I going to give Bill Wells or whether there is some such substitution involved here. In any event, each country, each case will have to be weighed on its own after detailed review. So, please do not misinterpret me and start sending out new signals. All I am saying is that the emphasis on clandestine collection for these reasons is in my view bound to go up. I see it as the best source of secret political information that we can get, I see it as of increasing value and importance to complement other sources in the economic area which is getting increasing stress throughout our intelligence activities. I also see it as a very important element in keeping our SIGINT and our imagery

viable in the years ahead in helping us to know how and where to target. While I am on the DDO, I know that over the past five months that I have been here, I have generated concern because I conducted a major and extensive review of the DDO operations, and I hope most of you involved in that, particularly in the DDO, have understood that and perhaps would not respect me if I had not. I was given a clear mandate by the President to be sure that the way the DDO was operating was within bounds of legality and the President's sense of ethics and propriety. Knowing how hard pressed I would be in the first few months, I asked [REDACTED] to be my primary point man in that effort, and he has done, in my view, a splendid job. His review of the Headquarters side of the DDO operations is complete. It has been given to me in 11 notebooks which I have read through. I can tell you with great sincerity that both Rusty and I feel that not only is all well, but all is very well in the DDO organization. I have met with Bill Wells, and we have not finished yet with meetings on all the 11 notebooks, but I have been through them enough to know that the next meetings with Bill are going to be like the last ones. I am asking for minor adjustments here and there. These are not because there any horrendous cases of things being run wrong or improperly or illegally or immorally or anything like that. These are

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matters of tone, matters of style, matters of judgment; but they are nothing of earthshaking significance. We are going through them one by one, and we are getting things in line where I feel comfortable, Bill is comfortable, and we know just how things are operating. I found in my overview, with Rusty's help, first of all that the take from the DDO is very impressive. Secondly, that the coverage is very broad and very healthy in that regard. It is not narrowly confined to one area or another. I find that the operational performance is admirable, very admirable, and I speak not only with respect to the people in the field for whom I have engendered a great respect in particular because of the risks they take and the privations they endure, but also for the people who are at Headquarters who administer them and give them their guidance. My goals for the DDO in the future are to improve their cover. We have serious problems there, not their fault particularly, and I want to give maximum support to improving that situation. Secondly, to maintain the same professionalism that we have today through good training, through good inspiration. Thirdly, to maintain a professional officer corps of clandestine service people of about the same size that we have today. Fourth, to make it a leaner, more efficient service overall. Last summer, 1976, Bill Wells undertook a major study of the DDO and its structure, and he came up with a three-phase program for structuring or restructuring the DDO to be executed over

seven or eight years until 1984. Phase one was executed last summer; phase two was scheduled for this summer. He gave me phase two a few weeks ago. It called for a very substantial reduction in the overhead of the DDO to be carried out between now and 1984. I made two changes in his plan--I reduced the number of people to be reduced, I made it a smaller number, and I compressed it into two years and a quarter rather than than seven or eight. So, based on the DDO recommendation, thus somewhat reduced but compressed, we are going to in the next 26 months take a reduction in the DDO size of about [REDACTED] and some people--positions. Now this is a phased plan, and it comes from a conviction of the DDO management that since the major cutback in Southeast Asia, the Headquarters element has not reduced proportionately. I know that even since I have been here and listening around and talking with groups and individuals, there is a great deal of opinion in the corridors that the DDO being overmanned has a lot of people who are under employed. If there is one thing I would like is to be sure that every employee in this Agency feels a full sense of challenge, a full sense of contribution because without that you cannot have a full sense of reward. Let me emphasize in the strongest terms that this [REDACTED] reduction is in no sense retributive, it is instead an effort to be leaner and more effective. It is

not really a reduction as much as it is an elimination of surplus personnel. It will be carried out in as considerate a way as we possibly can. For instance, we will take as much by attrition that comes normally as we possibly can. Beyond that we will try to take as much from early retirement so that other people who have a few years left before they qualify for retirement will have an opportunity to do so. Beyond that we will reach down to those people who have been consistently graded in the bottom of their category-- the bottom five percenters or ten percenters or whatever it may be. About half, maybe a little more than half, of the cut will be taken in the Fiscal Year 1978 and the other in Fiscal Year 1979. Those to be asked to leave in Fiscal Year 1978 will be notified not later than the first of November; no one will be required to leave before the first of March of 1978, five months notice. For the Fiscal Year 1979 plan, all those being asked to leave will be notified by the first of June of 1978, but nobody will be asked to go before the beginning of the Fiscal Year which is the first of October, some four months later. There will be a higher proportion of cut in the more senior grades than the junior grades. The purpose of this being several fold. One, there is a great tendency when you cut large organizations to end up being top heavy and that does not do the organization any

good. Secondly, as I mentioned in the very beginning, we must maintain a flow through opportunity. This is a virile, basically young organization, and our future depends on our continuing to attract and retain the same type of high-quality people that we have today. We have got to provide them opportunity. Thirdly, of course, the more senior people are more likely to have an opportunity to retire rather than to have to abandon the equity they have in the government. Let me reaffirm with great conviction that I approve this elimination of these surplus people only on the conviction that in the long run it will strengthen the DDO organization. Let me say, without casting shivers through the audience, that we are going to have to take the same kind of look for surplus people in all the Directorates. I have no thought whatsoever that there is anything like an [REDACTED] man surplus anywhere else. That is a unique situation in the DDO due to the fluctuations over Southeast Asia, but with the intense scrutiny that we are going to have in the years ahead from both the Congress and the OMB, we have got to be on firm ground that we have what we need and nothing more. I would always rather volunteer to cut than I would to be cut if we in fact do not need it. I have not made any judgment on any of the other Directorates at all. Let me wind up by saying that these past five months, I spent a

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great deal of my time just getting to know you, getting to know the Agency, getting to know the Community, getting to know what my role is supposed to be as the principal intelligence officer of the country. I have had to spend a lot of time studying organization, purpose, and how to make the Community more efficient and effective. I am breathing easier now; the time has come to look ahead rather than to look inward and backward. The President has demonstrated particular trust and confidence in us by giving us new emphasis, new authority, new requirements, new sense of priorities, and in particular within my hearing and, I know, within yours publicly also praising the confidence and the dedication of the CIA in particular. I was told when I first came here by each one of the former DCIs, and I spoke with all of them, that I could find in the government of the United States no more dedicated, loyal, or competent group of people than those in this Agency. Although I have been loyal to a different agency of this government for some 30 years, I have to agree with those people. This is the top group of qualified, loyal, and dedicated people that I have ever worked with. I believe that the qualities you have are now going to be put to the test more than ever before because we do have a new charter, a new responsibility under this reorganization. Now, we have got to deliver and I know I can count on you to do it. Thank you.

Where is it muddiest? Anybody like to lead off?

Q. Sir, will these four vice presidents that you spoke of, do you visualize that they will become elements of a larger legal entity organization with some kind of a name on it? If so, what do you think that name will be?

A. The only way I think that could come about is if we took something like DDA and had its common service element attached to the DCI rather than the CIA. I do not know that it would have to be named a single name like CIA. That would just be creating the CIA all over again in terms of its original concept and charter way back in 1947-49. That concept and charter really has not worked out the way the Congress intended it, and so I think what I am trying to do here is create that same thing over again, but not give it a name like that. The CIA will retain its identity and it could be--as I say, I do not have this worked out in my own mind yet--that the common services instead of coming out of the CIA would come out of the DCI and just be the DCI's services, and you would have a CIA and a Vice President for Production and, a Vice President for Tasking, and Vice President for Budgets. Those are sort of legal, organizational nuances, and I do not really think they will affect the

position, the rights, the privileges, the retirement benefits, and so on of any of the individuals in our organization. We have got complications, and the reason I am being hesitant here is, of course, the Congress has been driving for an IC staff that is not under the CIA. I mean that people have a separate entity and that is confusing life, and we are going to have to sort that out as to which way the Congress will let us go because this is the kind of thing that will require definite Congressional approval if we make any changes.

Q. I am interested in your views on the need for competing analyses. You are going to merge the DDI with the NIO structure and strengthen the numbers involved in this process. Will this not create a rather powerful assessment force which would tend to override or dominate INR and DIA and their abilities to present not only departmental but national intelligence?

A. Can you hear that in the back?

That is a very good question, and it is one that people have raised the media. I would say that I am certainly dedicated to overlapping in competing analyses. It does not seem to me that we should let the DDI-NIO become substantially more proficient in military analysis in the DDI. They should be good competition for them. It does not seem to me that we should let the DDI-NIO become vastly superior to the

INR political analysis. I think we have got the monopoly on economics; I do not think anybody touches our potential there. I certainly want to see that overlap from the military on the one side and the political on the other with us having the capability to do all three disciplines very well. I think the real answer to your question is I do not view the NIOs and the DDIs as that separate or competing today. I think they are onetailed together, but I think they are onetailed in an inefficient way. This bringing together will get better return for our money. I certainly do not want to be a czar of intelligence production. I think we ought to have it (I do not want to use the word because it will get misconstrued), but I do think that there has got to be more unity in the collection side. That is where the money is, and that is where the real errors can be. If you do not collect properly, you will leave a big hole in there. In the production-analysis-estimating side, we have got to have overlap competition. We can afford it, and we must have competing views going all the way forward. We will have to watch what you say very carefully as we move ahead.

Q. I remember you spoke of strengthening counterintelligence. Does that mean or may we take for granted that the President has approved the establishment of a national counterintelligence committee as discussed in PRM-11?

A. No. That has not been finally decided as yet. We have really only bitten a piece of the PRM-11. There are other, we have bitten off one piece with the wire tapping bill which has already gone forward to the Congress. We have bitten off this piece which is the fundamental structuring of the Community, but the piece that what was really PRM-11, part I, is still gestating up through the decision process and has not reached the PRC let alone the President. But we have got to have something like that.

continuation of question....

A. Oh, I think we will get to that in September. You know everything is sort of in a lull right now. Tony, have you got any prediction on that?

I really do not. I think September is as good a guess as I could make.

We have plenty of cooperation with the Attorney General, but they do not move too fast. There is sort of a waltz going on. The Attorney General wants to make me the Chairman of the Counterintelligence Committee, and I want to make him the Chairman of the Counterintelligence Committee. I only want to get out of it because I just do not want the CIA, in particular, associated with domestic activities, and

counterintelligence has to be domestic, too. The Attorney General has his reasons for not feeling it is good for the head justice man of the country to be that publicly in charge of counterintelligence activities. So there is that one basic difficulty of who is going to head this committee organization. It could go to the National Security Council, or it could go to some third party. I suspect it is going to end up on my shoulders. I do not know. I am not going to fight it, but I want to make the proper position here that I do not think it is necessarily the right place for it. I would appreciate your views on that.

Q. With your assumption of full budgetary authority of the Intelligence Community, is there an intent for you to have an appropriation of your own, and will it be an open appropriation, either single one-line item or otherwise?

A. No. There has been no decision on that yet. As you know, the Senate Select Committee voted nine to eight to disclose a single budget figure. They have not yet, I guess it has been two months now, or more, taken it to the Senate floor for decision. Whether they will or not this session, I do not know. If they did vote that, whether we would then ask for separate appropriation there with everything hidden under the one figure, I do not know either. I have not really thought that one through. If they do not, of course,

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[REDACTED] So, the answer is uncertainty to your question. Though the intent of the Presidential decision is that not only will the DCI formulate and present to OMB, the budget to the Congress and justify it before the Congress, but he will receive the appropriated monies through OMB or from OMB and disperse them or not disperse them, as the case may be, to the appropriate agencies for whom they were designated by the Congress. The control will be up and down.

Q. As the chief control of the strategic reconnaissance resources, will your control also extend to tactical reconnaissance?

A. No. If the element is not in the national foreign intelligence budget, then I will have (Is John McMahon here? Sorry, John. I have been looking for you down here.) We put the term in the Executive Order about the advisory tasking. Is that the word? Right, advisory tasking. I have full tasking over all the elements in the national foreign intelligence budget. Now, if the Defense Department leaves the airplane in that budget, it is mine to task--as are a lot of the SIGNIT airplanes. If it is a tactical element in the Defense budget as opposed to the NFIB then we have advisory tasking. I mean if we want a tactical element

to try to do something good for the national element we, in effect, ask them and let our requests be known. Of course, they do the reverse, too, with the national.

Q. Admiral, the NIOs have been responsible for estimates and special estimates of national intelligence up until now. Do you see their role expanding into other kinds of finished intelligence in view of the NIOs to the DDI?

A. The NIOs are responsible for national estimates and national production today. Do we see any expansion of that with the merger of the DDI? Bob, do you want to try that?

Dr. Bowie: I do not, off hand. I think Mr. Stevens and I visualize that there would be more involvement in the preparation of estimates which would be only those through the DDI for example. For the purpose of multi-disciplinary and other types of estimates which might require different offices of DDI.

I am sure we gave you what you wanted, Robert, I think the answer is basically no. The NIOs will be sort of the top of the pyramid of this now consolidated organization. They will be the contact point with the policy makers. They will be the contact with those other elements of the National Intelligence Community to bring together what must be national estimates. Now, feeding into that will be what

the DDI comes up with, but they can not, for instance, as was brought out here. If they are doing a military estimate, they can not ignore the DIA's position. Right? So they will have to be the one that merges that.

Dr. Bowie: I would try and answer the question about additional functions. The assumption is that they will continue to perform the existing functions with respect to the coordinating of national intelligence in which there is participation by the DIA and by the INR. The additional function would be the one I described; namely, some effort also to coordinate in-house estimates which might not involve INR or DIA but which might involve several offices of the DDI. The principle function will continue to be essentially the Community function, or the function of pulling together the different components of the Intelligence Community for the purpose of producing what is commonly called the NIEs.

Q. How do you see the interrelationship, if any, between your production and collection vice president's with expected product evaluation?

A. How do we see the vice president's production and collection interfacing with respect to product evaluation? I think that has got to be stimulated by the DCI himself. It has got to be part of his NFIB responsibilities to use

that Board as his way of taking reports that have come out of the Budget and Evaluation Vice President, for instance, as a stimulus or tasking the Board itself to look at various products, to look at various situations and opportunities that were presented missed opportunities, bad results, good results, and try to see what this Board as the DCI's principal advisers for overall community matters recommends be done better or differently in the future.

Q. Admiral, with respect to the IG function, what requirements, if any, will you levy on DIA, NSA, or will you levy any requirements at all?

A No. The Presidential decision has a phase in it about the Inspector General functions remaining basically where they are. So I do not have a license to go in and conduct an inspection of the DIA. The old Executive Order had something about I was to assure there were Inspectors General. It was really not very meaningful. I am not sure what wording we will end up negotiating into this one, but I do not see a major strengthening of a Community Inspector General function. I am not sure that that is proper. I started at one point to argue for a Community Inspector General, regardless of how the line of authority went with NSA, but you do not really think you like somebody coming in and inspecting your house when you the boss of it. I backed off on that one,

frankly. It is a problem, and I would like to have that ability, but that is one of the compromises we have had to make here. I think we can work around it satisfactorily.

Q. Admiral, regarding the reduction in the DDO, how was the figure [REDACTED] plus arrived at?

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A. Well, as I mentioned, Bill came to me with a larger figure, and it was my feeling that I didn't want to take that much risk. I wanted to have if necessary still a little surplus, in part because I am anxious if we can get authority to increase the overseas contingency. I want to have that opportunity anyway, and so I arbitrarily without scientific calculation reduced his figure to this number.

Q. Admiral, under the new organization, it appears that there will be four deputies. Will there be one DDCI, or will there be four DDCIs, and will these deputies require confirmation by the Hill, by the Senate?

A. This again is a question that can only be answered after we have negotiated with the Congress. The DDCI is a statutory position right now, and he is the number two fellow in the Community really, because he's the only other Presidential appointee. So if the Congress does not want to change that, that is your answer. My view would be that I

would rather have four coequal people in this spot. That way it gives me a little more flexibility. There are times when I want somebody to represent me in a PRC meeting, or some place, that you know, and the DDCI just does not happen to be as well qualified for that particular function. So I would rather have it that they are all on the same level. When I go out of town, as I am going to go on Wednesday for a week of leave, I would pick one of them and pat him on the shoulder and say, "For this week you are it." It might vary according to the personality, it might vary in accordance with what was going on that week, and what I thought was going to have to take precedence. Whether they should all be statutorily confirmed or not. My only hesitation is I think they probably should be. My only hesitation is you get too much graven in statute and it is hard to change and adapt. I think I am balanced if I could I would just as soon not have them statutorily approved. That is one I have not thought through, nor have I even talked to any of the key people about.

Q. Admiral, people in the DDI are already asking the question--are we no longer employees of the CIA? What is the answer?

A. You are employees of the CIA, and there is no way I can change that. You have to go to the Congress to change that.

We may or we may not, but we will not go to Congress to

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change it unless every right, privilege, and benefit is

fully protected. That is part of a much bigger issue and probably is some time down the pike. There is no way. I mean, the NIOs all belong to the CIA today. Right? A good bit of the IC Staff belongs to the CIA. Is that right or not?

Mr. McMahan: Legally, all of it.

A rose is a rose is a rose, I guess. Please assure people of that. You know somebody came up to me and asked, "Can I still use the Credit Union down here?" For heaven sakes, we are not going to do anything to jeopardize people's rights or benefits and so on. There is one thing I believe in that an organization like this is built on people. If you do not take care of your people, you have not got anything left. I am not going to let any of the people be run roughshod over by any kind of organizational stuff. We may want to shift the organization around over a period of time, but we will never do it without being assured that it is equitable and it protects everybody's interests and rights and so on. Nobody's retirement is going to be put in jeopardy, and nobody's CIARDS are going to be run down the drain. There is no way until we get legislation, and I cannot possibly get legislation through until next spring. You know, the Congress will not even be back until after Labor Day, and they abandon ship on the 21st of October. I have got to stop using that nautical terminology. I am trying, but it is hard. Anyway, we are not talking about anything imminent here in any event.

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